GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:334
ANSWERED ON:19.02.2009
SUPPLY OF GAS TO FERTILIZER PLANTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has decided to give top priority to fertilizer industry in allocation of natural gas;

(b) if so, the details thereof; and

(c) the total quantity of gas which will be consumed by the existing and proposed fertilizer plants?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI DINSHA PATEL)

(a) & (b): Administered Price Mechanism (APM) gas is supplied to fertilizer sector, apart from power sector, court mandated customers, transport sector and small consumers.As regards the production of natural gas from KG D6, it has been decided that, out of the first 40 million standard cubic metres per day (mmscmd), the highest priority will be given to existing gas-based urea plants, which are now getting gas below their full requirement, so as to enable full capacity utilization. Further, it was decided that demand emanating beyond 2008-09 from de-bottlenecking of and expansion of fertilizer plants, conversion of naphtha- based and fuel oil-based fertilizer plants, and revival of closed fertilizer plants would be given the highest priority at that stage and will be met from production in subsequent years.

(c): The Operator of KG D6, i.e., M/s Reliance Industries Limited and M/s Niko (NECO) Limited, has already been asked to supply 15.330 mmscmd natural gas to meet the current shortfall of existing gas-based urea plants. As per the information received from Department of Fertilizers, the total estimated additional requirement of natural gas during 2011-12, over and above the requirement during 2008-09, is 53.07 mmscmd, which includes the requirement for de-bottlenecking of and expansion of fertilizer plants, conversion of naphtha-based and fuel oil-based fertilizer plants, revival of closed fertilizer plants and eight new plants.